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We Can't Make Up Our Minds!

MEETINGS INDUSTRY BESET BY INCREASINGLY ENTRENCHED FEAR OF DECISIONS

By Donna M. Airoldi

"People have decided not to make decisions — and they like it, because it mitigates their fear." — Jim Carroll, Mississauga, Ontario-based futurist, consultant, author and speaker.

Since the economy tanked and 9/11 happened, meetings decision-makers have been cautious to the extreme, according to Carroll, a keen meetings industry observer, as well as numerous others. Add the recent corporate scandals and the war in Iraq, and there have been more decision delays in the past year than ever before, they say, with clients waiting until the last minute to commit on final choices relative to meetings.

"It has come about because of all the uncertainty that has enveloped us — a fear of the unknown," said Carroll, opining that executives are holding off on decisions because of a fear that the next unfore-

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Groups Waiting Until The 11th Hour To Pull Trigger

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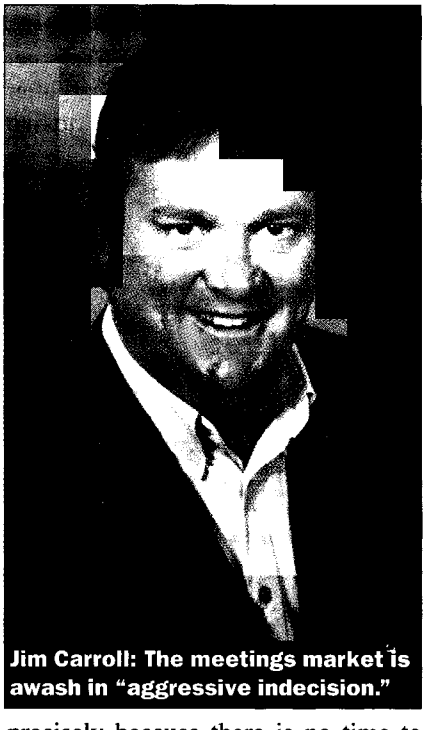
seen event might prove to have negative consequences.

Carroll, who labels this syndrome "aggressive indecision," began researching, writing and speaking on this phenomenon after experiencing unprecedented decision delays with clients. One couldn't confirm Carroll's participation at an overseas meeting until 10 days before the event. With another, he had "a long meeting with the CEO concerning his company's lack of decision-making when it came to meetings."

Carroll is far from the only one wringing his hands. Said Judi Feldman, national accounts manager for site-selection firm HelmsBriscoe in Longwood, Fla., "We're seeing it across the board in terms of big and small decisions. People are looking at every move they make because they're being scrutinized by those above them as well as those above *them* on the command chain, so everyone wants to make sure their decision is the correct decision."

This is not about short-term meetings, which require quick decisions



Jim Carroll: The meetings market is awash in "aggressive indecision."

precisely because there is no time to spare. The delays industry insiders referred to involve meetings that have been booked far in advance.

"People are able to make decisions for short-term meetings because they *have* to be made," said Feldman. "But if a meeting is booked more than nine months out, it's going to take several months to get details finalized. They'll hold out until it almost becomes short term."

Tighter budgets, risk aversion, uncertainty, compliance rules, fear of being incorrect, increased use of attorneys for contracts, procrastination — the pool of potential reasons behind delayed decision-making is vast.

"The decision to invest in communication forums like meetings and events is more critical than ever, due to the increasingly strategic nature of the content that will be delivered, coupled with the fact that an investment of this type typically has an 'opportunity cost' of not making some other important investment," said Evan Chapman, director of field communications for Avaya, a communications systems company in Basking Ridge, N.J.

"The question isn't so much, 'Can we afford to do this meeting?' but more like, 'Can we afford not to do it?' The cycle to get to the latter conclusion can be arduous, and this is what is driving the decisions to be made late in the game," said Chapman.

"In some cases, a delayed decision is an inadvertent result when a customer doesn't understand what's going on in the marketplace."

— David Scypinski, senior vice president of industry affairs, Starwood Hotels

The Price of Indecision

Planners, who often do not have final say on major decisions — especially those that come with a big price tag — are finding themselves caught in the middle between their bosses or clients and anxious suppliers.

"We promise to get back to our clients within 24 to 72 hours, so we push hotels for answers to our requests for proposals," said Feldman. "But then it may take the client anywhere from three to six months to get back to us. In the meantime, the hotels keep calling, and I have to tell them I don't know yet. It can be disconcerting as far as credibility with the hotels."

Dave Scypinski, senior vice president of industry affairs for Starwood Hotels, said he thought some customers might use indecision as a negotiation ploy, to hold off and try to get a better deal. He also understands that others are tied by their corporation's extensive approval process, fueled by increased compliance requirements.

"But in some cases, a delayed decisions is an inadvertent result when a customer doesn't realize what's going on in the marketplace," he said. "It took hotels a long time to believe there was a downturn three years ago, and we kept negotiating like we owned the world when we didn't. Customers are on the same side of that coin now, but in reverse."

Jay Ellenby, president of Safe Harbors Travel Group, a Baltimore-based travel management company, said he sees delayed decisions every day. "People are more averse to risk and are missing deadlines where they could get cost savings," he said.

One would think that with tight budgets being a leading contributor to the delayed-decision syndrome, organizations would be more conscious about the opportunity costs associated with waiting until the last minute to finalize plans. But higher prices aren't the only costs involved in pushing decisions to the limit.

"They also forgo the negotiating strength they used to have and the ability to have a better product," said Ellenby, "not to mention the fact of potentially losing the space."

As to the latter, a case in point: Scypinski received calls from two different association planners in one week complaining that the Starwood hotels with which they were working were heavy-handed in trying to get them to make a decision.

"In one case, the hotel had been waiting for six months and had told the planner several times they needed a signed contract and couldn't continue to hold the dates," he said. "The customer decided not to believe them and is now annoyed because we pulled the trigger, and they lost the block."

Indecision also can affect the quality of service and staffing. "Delays have created scheduling conflicts for us," said Erika Bondy, senior event coordinator for the Dallas Convention Center. "We thought we could give staff certain days off, but then we'll receive a revised function book late and realize we need those people here. Some facilities may have difficulty getting staff back in."

Sean Schuette, conference coordinator for Cygnus Exposition in Burnsville, Minn., has had to deal with indecision from speakers, sponsors and attendees for some of the events he's worked on during the past year, causing delays for other steps in the planning process and occasionally forcing him to make last-minute schedule and speaker changes.

In one case, an event with several speakers was only two months away, and a number of them still hadn't committed. Also, though Schuette had been told a sponsor was in place, the contract hadn't been signed, and a change of sponsorship could impact the planning of the rest of the event.

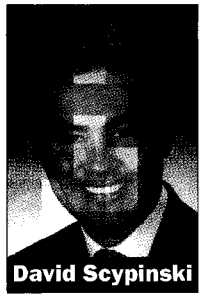
"Their name had to be printed on various materials," Schuette said, "and I had to hold up vendors and décor decisions while waiting to hear if it was finalized."

Coping With Delayed Decisions

In dealing with people plagued by indecision — whether they're superiors or clients — steps can be taken to mitigate the situation.

"A key skill is going to be for folks to become 'closers' who manage to get over their indecision," said Carroll. He suggested the following tactics:

- Clearly define the benefits and return on investment from making the decision at hand.
- Also define the potential downside of continued delay.
- Share the risk. See what you can offer to minimize the fear of decision-making.
- Scare them into action.
- Give it a full effort. If you take no action, the aggressive indecision just continues and grows. But at some point, be prepared to move on; sometimes it's better to cut your losses.


David Scypinski

"We have to be clear about market conditions," Scypinski said. "In some ways, we've been our own worst enemy by saying we need a confirmation by date x. The customer doesn't respond, so we say, 'OK, by date y.' Then we end up with a date z. We're hopeful we can manage that better."

Said Schuette, "To set clear expectations, you should provide an accountability factor, and call people to remind them of deadlines."

Some good news is that not everyone thinks indecision is here to stay. Ellenby and others believe it is just a normal part of the business cycle and will dissipate as demand returns and rates increase. Indeed, the latest report from PricewaterhouseCoopers indicates that hotel occupancies are up, rates are up and booking windows are expanding again.

"Lately, as the buyers' market is beginning to shift, I've seen more customers ramping up and making decisions sooner than they have in the past couple years," said Mike Burns, vice president of the mid-central region for Conferon. "Deals are still out there, but if you know you're having a meeting in 2008, I recommend you make a decision while it's still to your advantage."

Agreed Scypinski, "Be prepared to lose the dates if you decide not to execute. And if that happens, make sure you have a backup plan in place."

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